

Board Meeting Minutes  
March 20, 2018

Present via teleconference were:

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|---|--|
| Doug La Follette, Commissioner            | Secretary of State                     |
| Matt Adamczyk, Commissioner               | State Treasurer                        |
| Brad Schimel, Board Chair                 | Attorney General                       |
| Jonathan Barry, Executive Secretary       | Board of Commissioners of Public Lands |
| Tom German, Deputy Secretary              | Board of Commissioners of Public Lands |
| Vicki Halverson, Office Manager           | Board of Commissioners of Public Lands |
| Richard Sneider, Chief Investment Officer | Board of Commissioners of Public Lands |
| John Neis, Executive Managing Director    | Venture Investors                      |
| Paul Weiss, Managing Director             | Venture Investors                      |
| David Arnstein, Chief Financial Officer   | Venture Investors                      |

**ITEM 1. CALL TO ORDER**

Board Chair Schimel called the meeting to order at 2:02 p.m.

**ITEM 2. APPROVE MINUTES – MARCH 6, 2018**

**MOTION:** Board Chair Schimel moved to approve the minutes; Commissioner La Follette seconded the motion.

**DISCUSSION:** None.

**VOTE:** The motion passed 3-0.

**ITEM 3. APPROVE LOANS**

Executive Secretary Barry reported that the loans had been reviewed for proper public purpose.

<u>Municipality</u>	<u>Municipal Type</u>	<u>Loan Type</u>	<u>Loan Amount</u>
1. Blair Trempealeau County Application #: 02018113 Purpose: Refinance BCPL loan #2017126	City Rate: 3.50% Term: 9 years	General Obligation	\$131,468.68
2. Blair Trempealeau County Application #: 02018114 Purpose: Finance municipal pool project	City Rate: 4.00% Term: 15 years	General Obligation	\$605,000.00
3. Lac La Belle Waukesha County Application #: 02018116 Purpose: Finance sewer lift station repair	Village Rate: 4.00% Term: 20 years	General Obligation	\$150,000.00
4. Lac La Belle Waukesha County Application #: 02018117 Purpose: Purchase land	Village Rate: 4.00% Term: 20 years	General Obligation	\$200,000.00

5.	Palmyra Jefferson County Application #: 02018115 Purpose: Finance roadwork	Town Rate: 3.50% Term: 5 years	General Obligation	\$150,000.00
6.	Two Rivers Manitowoc County Application #: 02018118 Purpose: Finance 2018 capital projects and equipment	City Rate: 3.75% Term: 10 years	General Obligation	\$2,041,500.00
<b>TOTAL</b>				<b>\$3,277,968.68</b>

**MOTION:** Board Chair Schimel moved to approve the loans; Commissioner La Follette seconded the motion.

**DISCUSSION:** None.

**VOTE:** The motion passed 2-1. Commissioner La Follette and Board Chair Schimel voted aye; Commissioner Adamczyk voted no.

*[Agenda item four, a presentation by Venture Investors, was discussed after the Executive Secretary's Report.]*

#### **ITEM 5. FUTURE AGENDA ITEMS**

None.

#### **ITEM 6. EXECUTIVE SECRETARY'S REPORT**

Nothing to report.

#### **ITEM 4. PRESENTATION BY VENTURE INVESTORS**

Executive Secretary said the agenda item was informational only and required no board action. He explained that Venture Investors is focused on investing in biologic research and is closely tied with research universities in the Midwest.

John Neis thanked the Board for the opportunity to present Venture Investors' investment opportunity. He gave an overview of the success the company has realized with exits from research companies in which they have invested. Those investments were all in the Midwest, mainly sourced through research universities, and all in health care. The current venture capital fund includes backing from the State of WI Investment Board (SWIB), WI Alumni Research Foundation, MG&E, WEA Trust, and other investors. They are targeting \$100 million in commitments for the fund.

*[Board Chair Schimel left the teleconference at 2:20 p.m.]*

Executive Secretary Barry pointed out that BCPL is a public entity and subject to Wisconsin's open records law yet must keep confidential information confidential. He asked Mr. Neis to explain to the Board how that balance would be achieved. Mr. Neis replied that they would have to become familiar with the protections that BCPL has put in place. He added that in the case of SWIB, they have taken steps to ensure that Venture Investors' does not undermine the confidentiality of the companies they are invested in when providing reports to their investors. They need the freedom to report on the performance and achievements of those companies without revealing strategic and competitive information. Legislative protections for this type of confidential information have been put into place. He asked what types of protections were in place for BCPL regarding for confidential information as it relates to investments. Deputy Secretary German replied that the agency currently does not have the same

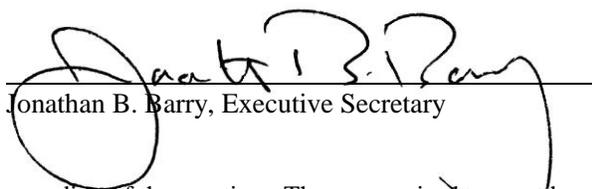
statutory protections for confidential information regarding venture capital investments as SWIB does. Mr. Neis said Venture Investors does provide thorough reporting with mechanisms in place to protect confidential information of the companies in which they are invested. Other protections would have to be established and negotiated with the Board.

Commissioner La Follette asked, hypothetically, if the Board commits funds to the venture capital fund, when would those funds be drawn. Mr. Neis replied that it could be as soon as the end of April and that commitments currently total \$56 million of the \$100 million. They anticipate investing in companies while at the same time continuing to raise funds.

Commissioner La Follette then asked when the Board would see a return on their investment. Mr. Neis explained that as they exit the companies in which they have invested, returns are generated back to the investors. An exit could be the result of the company being sold or going public. A return could be realized in as little as two years or perhaps longer. Basically, it is a long-term commitment.

#### **ITEM 7. ADJOURN**

The meeting adjourned at approximately 3:03 p.m.



Jonathan B. Barry, Executive Secretary

These minutes have been prepared from a recording of the meeting. The summaries have not been transcribed verbatim. Link to audio recording: [ftp://doafpt1380.wi.gov/doadocs/BCPL/2018-03-20\\_BCPL-BoardMtgRecording.mp3](ftp://doafpt1380.wi.gov/doadocs/BCPL/2018-03-20_BCPL-BoardMtgRecording.mp3).